

Message Text

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11
ACTION NEA-10

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 L-03 H-02

CIAE-00 INR-07 NSAE-00 DODE-00 EB-07 COME-00 TRSE-00

AID-05 OMB-01 MC-02 ACDA-07 XMB-02 /073 W

----- 128730

R 260530Z AUG 76
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 1821

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EO 11652: N/A
TAGS: EAIR, EIND, ETRD, BG, US
SUBJ: SIKORSKY HELICOPTER SALES EFFORT STALLED BY FINANCING PROBLEMS

REF: (A) DACCA 4108, (B) DACCA 4330

1. SIKORSKY REPS DEPARTED DACCA AUGUST 24 AFTER INCONCLUSIVE ROUND OF TLAKS WITH BDG AIR FORCE AND OTHER OFFICIALS LOOKING TO \$12.1 MILLION CONTRACT FOR SALE OF 12 SIKORSKY S-58T HELICOPTERS WITH PACKAGE SPARE S AND PILOT TRAINING. IN FINAL CALL ON AMBASSADOR, SIKORSKY REPS EXPLAINED THAT THEIR INABILITY TO OFFER BDG COMMERCIAL BANK CREDIT FOR FOUR-FIFTHS OF TOTAL COST HAD BEEN SOLE REASON WHY SALE HAD NOT GONE THROUGH. THEY HAD RECEIVED INFORMAL WORD FROM SIKORSKY IN US TO EFFECT THAT NEITHER EXIM FINANCING NOR FCIA INSURANCE HAD YET BEEN

MADE AVAILABLE WITH THE RESULT THAT CITIBANK AND OTHER INTERESTED LENDERS HAD BEEN UNWILLING FINANCE THIS PROPOSED SALE.

2. THEY ASSUMED SALE OF BELL HELICOPTERS (REFTEL B), FINANCED BY ENGLISH BANKS, WOULD BE CONCLUDED, BUT STRESSED THAT, CONTRARY TO VIEW IN REFTEL B, THIS DID NOT EXCLUDE SIKORSKY SALE.

3. IN ABSENCE ANY FORMAL NOTICE OF EXIM BANK OR FCIA DECISION, SIKORSKY

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REP VICTOR MILNER SAID HE INTENDED PURSUE MATTER FURTHER IN WASHING-

TON, INCLUDING CALLS ON STATE DEPT. OFFICIALS, AS WELL AS EXIM BANK. IN RESPONSE TO HIS REQUEST, WE SUGGESTED HE MEET, IN FIRST INSTANCE, WITH EITHER NEA DEPUTY ASS'T SECRETARY DUBS OR NEA/PAB COUNTRY DIRECTOR LANDE. MILNER EXPECTS SEEK APPOINTMENTS IN WASHINGTON BEGINNING MONDAY, AUGUST 30.

4. WITH SOVIET HELICOPTERS SLOWLY BECOMING UNSERVICEABLE FOR LACK OF SPARES, BDG HAS GENUINE NEED FOR NEW HELICOPTERS AND DOUBTLESS WILL OBTAIN SOME. WE ARE FORTUNATE THAT A BRITISH BANK (GRINDLEYS), TO MEET A CAPITAL REQUIREMENT, IS WILLING TO HELP FINANCE THE SALE OF US BELL HELICOPTERS (THROUGH UK SALE AGENT). IF ANY MORE US HELICOPTER ARE TO BE SOLD HERE, THEY WILL HAVE TO BE FINANCED COMMERCIALLY AND THE KEY TO THE PARTICIPATION OF US BANKS IS EXIM AND/OR FCIA PARTICIPATION.
BOSTER

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Message Attributes

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